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To: County and District Chief Business Officials
Charter School Administrators

From: Janet Sterling, Director
School Fiscal Services Division

Subject: **1999-2000 Lottery Apportionment for Charter Schools**

Chapter 78, Statutes of 1999 (Assembly Bill 1115) added *Education Code* Section 47638 which provides that beginning in 1999-2000, each charter school shall be deemed a school district for purposes of receiving lottery funds. Accordingly, each charter school is entitled to its share of the lottery fund allocation for the 1999-2000 fiscal year, regardless of whether the charter school is funded through the block grant funding model or the base revenue limit. Commencing with the third quarter, the State Controller's Office (SCO) plans to separately identify the lottery entitlement for each charter school.

The lottery apportionments for the first and second quarters of 1999-2000 have already been distributed by the SCO. These funds were apportioned to K-12 school districts and county offices on a per unit of average daily attendance (ADA) basis using the annual ADA reported for the 1998-99 fiscal year, which includes charter school ADA. Because these two quarterly payments have already been allocated, the SCO plans to adjust the third quarter payment to "make charter schools whole," meaning charter schools will receive an amount equal to three quarterly payments. Chartering districts or county offices will see a corresponding reduction in their lottery allocation to account for funds they received in the first two quarters on account of their charter school ADA. The third quarter apportionment is expected at the end of June.

If you have any questions or if we can be of further assistance, please contact Cindy Chan at (916) 322-5101 or by e-mail at (cchan@cde.ca.gov), or Janet Finley at (916) 323-5091 or by e-mail at (jfinley@cde.ca.gov).

